



OFFICE OF THE COUNTY AUDITOR

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To: Hon. Greg Schwarze, Chairman
DuPage County Emergency Telephone System Board (ETSB)

ETSB Members

From: Bill White, J.D. *WJW*
County Auditor

Subject: Internal Audit of Accounts Payable
#21-90

Date: November 1, 2021

The Office of the County Auditor has completed a limited scope internal audit of the transaction processing of ETSB invoices submitted for payment. The audit identified two exceptions that required correction by the Finance Department.

All invoices submitted have been reviewed and released for payment by the County Auditor. The results of the audit are presented below.

Results

My Office has performed voucher pre-audit procedures for the invoices submitted for approval by the ETSB at the November 10, 2021 Board Meeting. The invoices listed on the Bank Account Payment History Report dated October 29, 2021 have been examined and are recommended for payment. The total of the expenditures is:

- FY2021 Equalization Fund (4000-5820) \$270,586.47

Two exceptions were identified by the County Auditor.

An AT&T invoice for flex circuit charges in the amount of \$6,671.13 was initially recommended for payment on October 18, 2021. Subsequent to its recommendation, the County Auditor noted that it was coded to the wrong process level and contacted the Finance Department. The invoice was deleted from the Lawson ERP system and re-entered into MHC by the Finance Department on October 27, 2021. The County Auditor recommended the invoice for payment that same day.

An Insight Public Sector invoice for SolarWinds maintenance and technical support in the amount of \$36,810.97 was recommended for payment on October

18, 2021. Subsequent to its recommendation, the County Auditor noted that there was a typographical error in the purchase order number and contacted the Finance Department. The Finance Department corrected the error on October 25, 2021. It was not necessary to resubmit for approval.

Objective

The County Auditor will perform a series of procedures designed to evaluate the internal controls involved in the processing of transactions in the accounts payable system. The actual procedures performed will depend upon the County Auditor's assessment of risks associated with the transactions.

Background/Audit Scope

Invoices and the related supporting documentation are initially prepared and submitted for payment processing by County departments to the centralized accounts payable function administered by the Finance Department.

The County Auditor performs audit procedures on the payment documentation after the information has been entered into the accounts payable system by the Finance Department. These procedures include reviewing the scanned images of the invoice and supporting documentation and comparing it to the information entered into the system. Significant discrepancies noted between the supporting documentation and the information recorded in the system are identified by the County Auditor as exceptions. In these situations, the County Auditor notifies the Finance Department of the problem. When the discrepancies are resolved, the County Auditor approves the invoice.

A Bank Account Payment History Report is generated by the Finance Department after the invoices have been approved and the County Auditor verifies that each of the recommended payments was properly posted to the County's General Ledger.

Audit Findings and Recommendations

The County Auditor audited 40 invoices submitted for payment, two exceptions were identified.

The Finance Department should verify the completeness and accuracy of invoices entered into the ERP and MHC systems prior to forwarding to the County Auditor for review and payment recommendation.

The ETSB should continue to regularly review available ERP reports and real-time transaction information to monitor the progress of invoices submitted for payment to preclude the potential for duplicate or incorrect payments.

Thank you for your continued assistance.

cc: Linda Zerwin, Executive Director
Jeff Martynowicz, Chief Financial Officer